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## FISCAL IMPACT REPORT



SPONSOR: Cisneros DATE TYPED: 2/5/02 HB \_\_\_\_\_

SHORT TITLE: Diabetes Services for Indigent SB 314

ANALYST: Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$500.0			Recurring	General Fund

### SOURCES OF INFORMATION

Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

SB 314 appropriates \$500.0 from the General Fund to the DOH for the purpose of providing diabetes medications, supplies, services, insulin, other drugs and glucose meter strips for indigent persons with diabetes statewide.

#### Significant Issues

Diabetes is the seventh leading cause of death in New Mexico. Approximately 17% of all New Mexicans age 40 and over have diabetes. Hispanics and American Indians are 2 – 3 times more likely to develop diabetes than non-Hispanic Whites. In the year 2000 in New Mexico 500 people died from diabetes, 684 lost limbs, 582 lost their sight, 337 began renal dialysis and over 17,000 people were hospitalized with diseases related to diabetes. The cost of care in New Mexico for diabetes is estimated at over \$762 million per year. Diabetes can be successfully managed, thereby decreasing the cost to New Mexico.

Successful management of diabetes requires 1) taking diabetes medications (including insulin) at the prescribed time and in the correct dosage; 2) checking blood glucose levels regularly (usually 2-4 times per day); 3) seeing a health care provider regularly for lab tests, foot exams and eye exams; and 4) following education on diabetes self-management including diet and exercise. Successful diabetes self-management results in reduced health care costs to New Mexico by reducing the costly complications of amputation, blindness, renal disease and dialysis, and frequent hospitalizations.

### **FISCAL IMPLICATIONS**

The appropriation of \$500.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY2003 shall revert to the General Fund.

### **ADMINISTRATIVE IMPLICATIONS**

The Diabetes Prevention and Control Program of the DOH would manage the activities required in SB 314 with existing staff.

### **OTHER SUBSTANTIVE ISSUES**

Thirty seven percent (37%) of patients seen in twenty-six Rural Primary Health Care Clinics in New Mexico are indigent. There are an estimated 6,664 patients in the primary care clinics with diabetes; 2,466 are indigent. Medications and glucose meter strips for an average patient with diabetes costs \$200 to \$300 per month (Insulin \$40-\$80/mo.; meter strips \$35-\$50/mo.; oral diabetes medication \$120/mo.; other diabetes medications \$25-\$100/mo.; lab tests \$40-\$75 each). Successful diabetes management of 2,466 indigent patients for medications and meter strips would cost an estimated \$493,200 to \$739,800 per month. Lab tests and other services, such as eye exams and podiatry referrals, are additional costs.

The allocation for diabetes medications, supplies and services proposed in SB 314 would be distributed through the Rural Primary Care Clinics and would augment their programs and funding sources to help meet the great need for indigent patients with diabetes.

DW/njw